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Approved For Release 2001/08/30 : CIA-RDP78-03985A001200070001-7

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Security Information

5 September 1952

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Additional Information Regarding [REDACTED]
[REDACTED] Warehouse Requirements

25X1A

1. The following information is submitted regarding the Staff Study, subject: "Additional Warehouse Requirements [REDACTED]" dated 3 September 1952, which was submitted to the Project Review Committee on this date and approved subject to your concurrence regarding minimum rental.

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2. The recurring costs of paragraph 2-e-(2) in the Study of \$451,456 for FY-53 can be reduced by \$81,025 due to the fact that we will not be entering the warehouse effective 1 July 1952.

This reduction was arrived at by reducing the following costs enumerated in paragraph 2 of Tab D by 20 per cent, which is equal to two and one-half months of non-occupancy in FY-53, except for guard service, which has been reduced by 25 per cent. The guard service was reduced 25 per cent because it will undoubtedly be at least October before guards are employed.

Maintenance FY-53

(1) Heating	\$18,000	No reduction since heating season has not started
(2) Electricity	\$ 6,000	Reduced by \$1,200
(3) Water	\$ 2,000	Reduced by \$ 400
(4) Guard Service	\$68,000	Reduced by 17,000
	<u>\$94,000</u>	<u>\$18,600</u>

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Operating Costs

(1) Rental - at 90¢ per sq. ft.	\$180,000	Reduced by	\$36,000
(2) Management & Clerical pers.	33,602	Reduced by	6,720
(3) Equipment operators & pack- ers	33,199	Reduced by	6,640
(4) Labor	20,325	Reduced by	4,065
(5) Vehicle and equipment maint.	4,000	Reduced by	---
(6) Oil, gas, and spare parts	4,000	Reduced by	---
(7) Telephone and teletype	5,000	Reduced by	1,000
(8) Packing supplies	40,000	Reduced by	8,000
(9) Pallets	8,000	Reduced by	---
(10) Steel plates, cables, etc.	2,000	Reduced by	---
(11) Miscellaneous supplies	27,330	Reduced by	---
	<u>\$357,456</u>		<u>\$62,425</u>

Recapitulation:

Total FY-53 funds requested in Study
Total reduction
Net funds required for FY-53

\$597,894
81,025
\$516,869 ✓

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The owner has stated that he will reduce the price to 65 cents per square foot for a five-year lease, which would reduce the rental cost from \$180,000 annually to \$170,000. This would reduce the total monetary requirements for FY-53 from \$516,869 to \$508,869.

4. As a matter of information, I did not wish to mention at the meeting this morning that our situation, which fluctuates constantly and which certainly cannot be predicted for as long as five years, might throw a five-year lease into the category of pennywise and pound-foolish.

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Acting Chief of Procurement and Supply

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PSO/JCB:cc (5 September 1952)

Distribution:

1-PSO DD/A file

①-PSO Warehouse file